

## Chapter 8      Globalization

### Learning Objectives

**In this chapter you will be able to understand:**

- Meaning and Definitions of Globalization.
- Causes/Circumstances leading to Globalization.
- Positive and Negative manifestations of Globalization.
- Difference of Opinion, Anti-Globalization movements.
- India's stand resistance to Globalization.
- Criticism to Globalization.

### Introduction:

**Globalization:** It is the process of interaction and integration among people, companies and governments worldwide. It has grown due to advances in transportation and communication technology. With the increased global interactions comes the growth of international trade, ideas and cultures. It began in 1970's and got wide publicity since 1990. The term Globalization has no universally accepted definition. To some it is multi-facet phenomena impacting on social, economic and political spheres of human experience. Others believe that it refers simply the increasing interconnection of markets of different countries largely on account of liberalization of trade, capital investment and diffusion of services across the world.

Anthony Giddens's, "Globalization means intensification of worldwide relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice-versa" in fact the term Globalization to flow of many kinds like flow of ideas, flow of capital, flow of trade, flow of technology. The most crucial factor is worldwide interconnectedness and sustained as result of constant flow.

### Causes/Circumstances of Globalization

The causes and circumstances responsible for Globalization are as under:

- Revolution in the information technology has enhanced the speed of the Globalization, i.e. flow of ideas, capital, goods and transportation etc. are outcomes of information technology.
- Exports by developed countries to developed countries as the former is in search of markets and later in search of sophisticated commodities.
- The world economic organizations are interested in Globalization.
- The Globalization doesn't emerge merely because of improved communication and willingness of the people but by reorganization of its interconnectedness.
- Collapse of communism and the end of cold war.
- Growth of MNC's and efforts of developed countries to make the world as single market

- Rising debts on developing countries by IMF and W.B compels LDC's to follow the path of disinvestment and Globalization.

### **Positive and Negative manifestations**

**Positive consequences:** - The Globalization has some positive impacts results on the life of state and individuals. Which can be discussed under three categories:

1. **Political impact:** The contemporary globalized world doesn't reduce the capability of the state. The Primacy of state is still unchallenged basis of political community, as the enhanced technology boosted the state to be more informative about its citizens. Which make states more powerful than earlier practices.
2. **Economic impact:** Economic Globalization has an important role in shaping the world politics. It is closely linked with international institutions like IMF and world bank; both these institutions play a major role in determining the economic policies all around the world. The moderate supporters of Globalization believe that Globalization has led to increased dependence and interactions between government business industry and people all across the world. It is the only source and it alone has the potential to attain the sustainable development its challenges can be responded intelligently without accepting it uncritically. It can be made more a more effective through an increase in global level understanding and efforts.
3. **Cultural impact:** Besides political and economic impacts it has even the culture. The supporters of the Globalization believe that it would be a mistake to assume that the cultural consequences of Globalization are only negative. The change in cultures is natural as such the cultures are dynamics. Sometimes the external influences simply enlarge our choices and sometimes they modify our culture without overwhelming the traditional. It makes each culture distinctive and unique as cultural exchange is never a one-way process.

**Negative Consequences:** The negative consequences of Globalization can be discussed under following three categories.

1. **Political impact:** Its negative impacts has resulted in the erosion of the state sovereignty and the capacity of the state governments. As the states have now shunned the welfare functions and are confined to maintenance of law and order and security of its citizens. The entry and the role of MNC's all over the world lead to reduction in capacity of governments to take decisions on their own.
2. **Economic impact:** It has created the intense division of opinions all over the world. Those who are concerned about social justice are worried about the extent of state withdrawal caused by process of economic Globalization. It is pointed out the benefit of Eco-Globalization will benefit a meager section of society in the world. So it needed to be halted as such it results in the economic ruin for the weaker countries, some economists call economic Globalization as "re-colonization" of the world.
3. **Cultural impact:** The advocates of cultural impact believe that the Globalization shall lead to the fear that this process poses a threat to the cultures in the world. As it leads to the rise of acculturation, assimilation of pre- dominant culture, which in real sense mean the imposition of western culture on the rest of the world. This is dangerous not only for the poor countries but for the whole world as it leads to shrink the rich cultural heritage of the entire globe.

### **India's stand/respond to Globalization**

Globalization generally refers to flow of capital, commodities ideas and movement of people across the borders. India in this sense was concerned with it several centuries back in history. However, India responded to the contemporary Globalization in 1991.

In 1991 responding to the financial crises and the desire for higher growth rates, India embarked on a programme of economic reforms that has sought increasingly to de-regulate various sectors including trade and foreign investment. Although in beginning India was not too active in its acceptance but due to external pressure for repayment of liabilities it took steps towards liberalization in 1991. The process of Globalization came forth with several changes in the policy of India, like dismantling the early licensing system, removal of tariff on imports, abolition of industries, by setting up the securities and exchange board of India, foreign joint venture bank came to be permitted to undertake and expand their operations. In addition to this several steps were taken to public sectors enjoyed monopoly.

### **Globalization: Difference of Opinion (INDIA)**

India's resistance to Globalization can be summed up as follows:

1. The hue and cry by leftist parties and other forums in India against economic liberalization, demanding the interests of the farmers, labors, artisans etc. and against the entry of MNC's in India.
2. Another resistance came from rightist wing in India. The rightists particularly resist the T.V channels, celebration of various western festivals, like birthdays valentine day the western dress code.
3. Another group who showed resistance against Globalization in India, are small scale industrialists and rural cottage industries. They resist the free flow of goods and commodities from the developed countries which have become a major threat to the small scale industries and rural cottage industrial workers. The rural cottage industrial workers have been left unnoticed by the government and their conditions are worsening day by day.

**Defense:** - The process of globalization is defended on the following grounds:

- Globalization removes unnecessary controls and facilitates market forces to determine their line.
- It has reduced the dependence of countries on foreign aid and agencies like IMF and W.B.
- It has brought transparency in the license permit raj system.
- It has led to increase in exports, and balance in foreign trade.
- It has attracted foreign investment and encouraged competition.
- It has created a system of accountability and benefited concerns.
- It has upgraded the technology and given access to states to the global market.

### **Criticism/ Resistance to Globalization**

The Globalization is being resisted all over the world on the following grounds;

- The leftists oppose it on the basis of existing inequalities between rich and poor. As Globalization is supporting capitalism.
- It has created disparity between developed and developing nations.
- It has led to the reduction of welfare measures, reduction in subsidies essential commodities and fall in real wages.
- Exploitation of developing states by MNC's least attention towards poverty, reduction, Human Rights and labour standard
- Culturally there is domination of western values and cultures.
- Leading of protectionist regimes and economic imperialism through WTO by developed states over developing ones.
- (WSF) World Social Forum resist Globalization on the grounds of Human Rights environmental degradation and unemployment in developing countries.

- It has reduced the sovereignty of the state and destroyed the indigenous industry.
- It has reduced the importance of social science and emphasis on market oriented courses.

**Now you should be able to answer the following exercise**

**Long Answer Type Questions**

1. What is Globalization, discuss circumstances and causes leading to Globalization.
2. Explain positive and negative concepts of Globalization?
3. Examine the, political, economic and cultural implications of Globalization.
4. Suggest the grounds to defend Globalization.
5. Discuss the India's resistance to Globalization.
6. Discuss the role of Globalization with the changing role of developing states.

**Short Answer Types Question**

1. Describe the meaning of Globalization?
2. Why has there been resistance to Globalization.
3. Give three negative effects of Globalization
4. Write three positive effects of Globalization.
5. What has been India's approach to Globalization?
6. How has technology contributed to Globalization?
7. Give two cultural consequences of Globalization.
8. What is protectionism?
9. Give two examples that leftist oppose Globalization.
10. Give two examples in favour of Globalization.

**Very Short Answer Type Questions**

1. What are the causes of Globalization?
2. What definition has been given by Antony Giddens about Globalization?
3. What do you mean by acculturation?
4. Give one political consequence of Globalization.
5. Give one example of cultural heterogeneity.
6. Give one factor leading to rise of Globalization.
7. Give one reason as to why Rightists oppose Globalization.
8. How is small scale industry effected by Globalization?
9. What is India's approach towards Globalization?
10. Write one reason to support Globalization.
11. Why did India adopted the path of Globalization?
12. Give two economic impacts of Globalization.
13. What do you mean by Globalization?
14. What is assimilation?